

Message Text

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FM AMEMBASSY MANILA

TO SECSTATE WASHDC 1630

C O N F I D E N T I A L SECTION 1 OF 2 MANILA 3754

E.O. 11652: GDS

TAGS: MARR, RP

SUBJECT: LORAN-A

REF: STATE 030079

SUMMARY: PHILIPPINE NAVY HAS AGREED TO TENTATIVE EMBASSY PROPOSAL ON CONTINUATION OF U.S. SUPPORT FOR LORAN A STATIONS AT PRESENT LEVELS. PROPOSAL, EXTRACTED PRIMARILY FROM 1970 AGREEMENT, WOULD COMMIT U.S. TO \$5,000 CONTRIBUTION ANNUALLY PER STATION AND TO U.S. COAST GUARD SUPPORT OF LORAN A EQUIPMENT AND WOULD ALSO PROVIDE MBA COVERAGE TO USCG. ONLY NEW ELEMENTS ARE REDUCTION OF AGREEMENT TO RENEWABLE, ANNUAL AGREEMENT, AND COMMITMENT TO SUPPORT LORAN TRANSMITTING EQUIPMENT AT SANGLEY TRAINING CENTER. ALTHOUGH EFFECTIVE EXTENSION OF OLD AGREEMENT SIDESTEPS COSTLY DEMANDS POSED BY GOP, U.S. SHOULD REALISTICALLY ANTICIPATE SOME MINOR ADDITIONAL CAPITAL OUTLAYS IN CONNECTION WITH LORAN OPERATIONS IF U.S. INTERESTS EXTEND MORE THAN TWO OR THREE YEARS. THROUGHOUT TALKS WE EMPHASIZED PHILIPPINE INTERNATIONAL OBLIGATIONS AND INTERESTS IN EFFICIENT AND ULTIMATELY INDEPENDENT OPERATION OF LORAN STATIONS. PHIL NAVY DID NOT PICK UP POINTS VERY ENTHUSIASTICALLY BUT OBLIGATION OF PHILIPPINE FUNDS TO CARRY THEIR SHARE OF CONTINUED LORAN OPERATIONS REPRESENTS MATERIAL COMMITMENT TO LORAN. TO ATTEMPT ENCOURAGE MORE ACTIVE COMMITMENT, EMBASSY STRESSED IMPORTANCE OF GETTING TRAINING UNDERWAY. EMBASSY REQUESTS CIRCULAR 175 AUTHORITY TO SUBMIT FORMALLY

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NOTE ALREADY APPROVED IN DRAFT BY PHILIPPINE NAVY. END

SUMMARY.

1. EMBASSY HAS PURSUED QUESTION OF SUCCESSION TO RECENTLY EXPIRED LORAN A AGREEMENT IN INFORMAL DISCUSSIONS WITH PHILIPPINE NAVY AT SUGGESTION OF EXECUTIVE SECRETARY MELCHOR. TALKS CONCLUDED FRIDAY MARCH 21 WHEN ADMIRAL RUIZ ADVISED DCM THAT PROPOSAL WE HAD TENTATIVELY MADE FOR CONTINUATION OF PERTINENT PORTIONS OF FORMER AGREEMENT ON ANNUAL BASIS AT PRESENT LEVELS WOULD BE ACCEPTABLE.

2. EMBASSY PROPOSAL, CAST IN FORM OF NOTE, FOLLOWS:

QUOTE: THE EMBASSY OF THE UNITED STATES OF AMERICA PRESENTS ITS COMPLIMENTS TO THE DEPARTMENT OF FOREIGN AFFAIRS OF THE REPUBLIC OF THE PHILIPPINES AND HAS THE HONOR TO REFER TO THE EXCHANGE OF NOTES BETWEEN OUR TWO GOVERNMENTS, DATED OCTOBER 19, 1970, WHICH AGREEMENT TERMINATED ON DECEMBER 31, 1974, AND TO THE RECENT DISCUSSIONS BETWEEN REPRESENTATIVES OF OUR TWO GOVERNMENTS CONCERNING THE CONTINUING OPERATION OF THE LORAN-A STATIONS OWNED AND OPERATED BY THE GOVERNMENT OF THE REPUBLIC OF THE PHILIPPINES.

IN ORDER TO ASSIST THE GOVERNMENT OF THE REPUBLIC OF THE PHILIPPINES IN THE ATTAINMENT OF ITS GOAL OF EFFICIENTLY AND INDEPENDENTLY OPERATING ITS LORAN-A STATIONS IN CONSONANCE WITH ITS INTERESTS IN PROVIDING NAVIGATIONAL AIDS AND IN RECOGNITION OF THE USE MADE OF THESE NAVIGATIONAL AIDS BY UNITED STATES AIRCRAFT AND VESSELS, THE EMBASSY PROPOSALS THE FOLLOWING AGREEMENT:

THE LORAN-A STATIONS REFERRED TO IN THIS AGREEMENT ARE LOCATED AT BATAAN ISLANDS, BATANES; NAULO POINT, SANTA CRUZ, ZAMBALES; LITTLE PANAY ISLAND, CATANDUANES; TALAMPULAN ISLAND, PALAWAN; AND TARUMPITAO POINT, PALAWAN.

THE UNITED STATES COAST GUARD WILL PROVIDE TECHNICAL CONSULTANTS, ADMINISTRATIVE ASSISTANCE, THE NECESSARY SPARE AND/OR REPLACEMENT PARTS FOR THE OPERATION OF LORAN-A TRANSMITTING EQUIPMENT, TESTING AND CALIBRATION EQUIPMENT, TRANSMITTING ANTENNAS, POWER GENERATING EQUIPMENT INCLUDING LORAN TRANSMITTING EQUIPMENT AT THE TRAINING CENTER AT SANGLEY POINT, AT NO COST TO THE GOVERNMENT OF THE PHILIPPINES.

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UNITED STATES COAST GUARD TECHNICIANS, IN ORDER TO ASSIST IN THE INSTALLATION OF NEW FIELD CHANGES, TO MAKE ALTERATIONS, TO ESTIMATE FUTURE PARTS REQUIREMENTS, AND FOR OTHER SUCH PURPOSES, MAY, UPON NOTIFICATION TO THE APPROPRIATE PHILIPPINE GOVERNMENT OFFICE, VISIT ANY OF THE STATIONS LISTED ABOVE.

THE GOVERNMENT OF THE REPUBLIC OF THE PHILIPPINES WILL, BEFORE CHANGING THE LORAN A TRANSMITTING AND OTHER

EQUIPMENT PRESENTLY BEING USED AT SAID STATIONS, CONSULT WITH THE UNITED STATES COAST GUARD REGARDING SUCH CHANGES.

THE UNITED STATES COAST GUARD, WITHIN ITS CAPACITY, AUTHORITY, AND SUBJECT TO THE AVAILABILITY OF FUNDS AND PERSONNEL, WILL ASSIST THE GOVERNMENT OF THE PHILIPPINES TO ESTABLISH IN THE PHILIPPINES A BASIC TECHNICAL TRAINING PROGRAM FOR LORAN-A OPERATION PERSONNEL AT SANGLEY POINT.

TO HELP DEFRAY THE COST OF SUPPLYING AND OPERATING THE SAID STATIONS, THE UNITED STATES COAST GUARD WILL PROVIDE THE GOVERNMENT OF THE REPUBLIC OF THE PHILIPPINE THE SUM OF FIVE THOUSAND DOLLARS FOR EACH OF THE LORAN-A STATIONS LISTED ABOVE. THIS SUM IS TO COVER THE ONE YEAR PERIOD CONTEMPLATED BY THIS AGREEMENT AND IS NON-REFUNDABLE.

ALL SPARE PARTS, MATERIAL AND EQUIPMENT PROVIDED BY THE UNITED STATES COAST GUARD FOR THE CONTINUED OPERATION AND MAINTENANCE OF THE LORAN-A STATIONS ARE AUTHORIZED ENTRY INTO THE REPUBLIC OF THE PHILIPPINES FREE OF ALL CUSTOMS, DUTIES AND OTHER TAXES AND CHARGES. ALSO, SUCH EQUIPMENT AND MATERIAL WILL BE EXEMPT FROM ALL TRANSPORTATION CHARGES IF THE MEANS OF TRANSPORTATION BELONGS TO THE PHILIPPINE GOVERNMENT, ITS AGENCIES OR SUB-DIVISIONS.

UNITED STATES COAST GUARD PERSONNEL ASSIGNED TO IMPLEMENT THIS AGREEMENT WILL HAVE THE STATUS IDENTICAL WITH THAT OR MEMBERS OF THE UNITED STATES ARMED FORCES PRESENT IN THE REPUBLIC OF THE PHILIPPINES IN CONNECTION WITH THE OPERATION, MAINTENANCE AND USE OF THE UNITED STATES MILITARY BASES PURSUANT TO THE US/RP MILITARY BASES AGREEMENT OF 1947, AS AMENDED.

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ACTION PM-03

INFO OCT-01 EA-06 ISO-00 EB-07 CIAE-00 INR-07 NSAE-00

DOT-00 L-02 SP-02 SS-15 DODE-00 CG-00 /043 W

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THIS AGREEMENT SHALL REMAIN IN FORCE FOR A PERIOD OF ONE YEAR. DURING THIS PERIOD EITHER GOVERNMENT MAY TERMINATE THIS AGREEMENT BY PROVIDING THE OTHER GOVERNMENT WITH 60 DAYS WRITTEN NOTICE. IF EITHER GOVERNMENT WISHES TO EXTEND THIS AGREEMENT BEYOND THE ONE YEAR PERIOD IT WILL REQUEST CONSULTATIONS 60 DAYS PRIOR TO THE EXPIRATION DATE OF THIS AGREEMENT.

IF THE FOREGOING IS ACCEPTABLE TO THE GOVERNMENT OF THE REPUBLIC OF THE PHILIPPINES, THE EMBASSY PROPOSES THAT THIS NOTE AND THE DEPARTMENT'S REPLY INDICATING CONCURRENCE SHALL CONSTITUTE AN AGREEMENT BETWEEN THE TWO GOVERNMENTS EFFECTIVE ON THE DATE OF THE DEPARTMENT'S REPLY.

THE EMBASSY AVAILS ITSELF OF THIS OPPORTUNITY TO RENEW TO THE DEPARTMENT THE ASSURANCES OF ITS HIGHEST CONSIDERATION.
END QUOTE.

3. AS DEPARTMENT WILL OBSERVE, NOTE CONSISTS ESSENTIALLY OF ELEMENTS FROM FORMER AGREEMENT AND ACCOMPANYING MEMORANDUM OF UNDERSTANDING PUT IN FORM OF A ONE YEAR AGREEMENT WHICH CAN BE RENEWED. ONLY NEW ELEMENT INCLUDED IN PROPOSED AGREEMENT IS WILLINGNESS TO SUPPORT LORAN TRANSMITTING EQUIPMENT AT SANGLEY SCHOOL WHICH WE CONSIDER IN OUR INTEREST IN ANY EVENT. PURPOSE OF DRAWING FROM PREVIOUS AGREEMENT WAS (1) TO SIDE STEP REQUESTS FOR EQUIPMENT OR ARGUMENT OVER THEM CONTAINED IN DFA NOTE; (2) TO EMPHASIZE PRINCIPLES RATHER THAN PIECES INVOLVED IN OUR MUTUAL INTEREST IN OPERATING LORAN STATIONS; (3) WHILE ENABLING US TO REASSURE GOP OF OUR READINESS TO CONTINUE THE KINDS OF CONFIDENTIAL

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SUPPORT WE HAVE PROVIDED IN THE PAST. PUTTING AGREEMENT ON ANNUAL, RENEWABLE BASIS PROVIDES OPPORTUNITIES FOR BOTH PARTIES TO BRING UP ISSUES ON PERFORMANCE IN ORDERLY FASHION AND TO INDICATE THAT U.S. INTEREST IN LORAN IS NOT PERPETUAL. SIXTY DAY LEAD TIME IS INTENDED TO ENSURE AVOIDANCE OF COAST GUARD STAFFING PROBLEM ENCOUNTERED THIS PAST YEAR.

4. SPECIFIC DOLLAR COMMITMENTS IN THIS PROPOSED AGREEMENT DO NOT GO BEYOND PREVIOUS AGREEMENT EXCEPT IN TERMS OF SUPPORT FOR TRAINING SCHOOL EQUIPMENT. ALTHOUGH THIS IS THEREFORE REASONABLY INEXPENSIVE AGREEMENT ON FACT OF IT, PARTICULARLY IN TERMS OF AVOIDING HARDWARE REQUESTS OF GOP, WE SHOULD REALISTICALLY EXPECT THAT AGREEMENT WILL INVOLVE MINOR ADDITIONAL CAPITAL OUTLAYS OVER LONG RUN, AND POSSIBLY SOON, IF OUR INTEREST IN LORAN A EXTENDS BEYOND 1977 (USCG REP HAS TOLD US THAT DELAY IN OMEGA STATION CONSTRUCTION IN AUSTRALIA COULD LEAD TO A DELAY OF AT LEAST FOUR YEARS FROM NOW BEFORE OUR REQUIREMENT FOR LORAN EXPIRED). FOR EXAMPLE, ONE OF TRANSMITTING

TOWERS SHOWING SPECIAL SIGNS OF WEAR AND IT IS ALSO POSSIBLE THAT ROOFING OF BUILDINGS COULD REQUIRE REPLACEMENT IN SUPPORT OF LONG RUN U.S INTEREST IN OPERATING LORAN. WE SHOULD HAVE BETTER APPRECIATION OF PROSPECTIVE CAPITAL COSTS WHEN COAST GUARD FINISHES SURVEY IN MAY.

5. THROUGHOUT DISCUSSIONS WE EMPHASIZED PHILIPPINE INTERESTS IN OPERATING LORAN STATIONS EFFICIENTLY AND, ULTIMATELY, INDEPENDENTLY. WE REFERRED TO ICAO, IATA AND IMCO INTERESTS IN NAVIGATIONAL AIDS, TO TRAFFIC PROBLEMS ARISING FROM PASSAGE OF BULK CARRIERS INTO AND THROUGH PHILIPPINES CARRYING COMMODITIES TO JAPAN, AND TO POSSIBLE NEED IN FUTURE OF ACCURATE NAVIGATIONAL HELP IN PASSAGE THROUGH CONTENTIOUS SOUTH CHINA SEA. PHILIPPINE SIDE ACKNOWLEDGED POINTS AND ADMITTED POSSIBLE SHORT RUN (5 YEARS) INTEREST. ALTHOUGH HIGHER LEVEL OF GOVERNMENT--BEGINNING WITH SECRETARY MELCHOR--MAY SEE REAL AND LONGER RUN VALUE IN LORAN STATIONS, IT DID NOT EMERGE DURING DISCUSSIONS. FACT PHILIPPINE NAVY ACCEPTED OUR TENTATIVE PROPOSALS WHICH DO INVOLVE A FAIRLY SUBSTANTIAL CONTINUED CONTRIBUTION FROM GOP, HOWEVER, REPRESENTS SOME EXPRESSION OF CONFIDENTIAL

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COMMITMENT TO STATIONS. IN VIEW OF OVERRIDING U.S. INTEREST IN CONTINUING LORAN STATION OPERATIONS FOR U.S. PURPOSES, IT IS PROBABLY ALL WE CAN EXPECT FOR NOW.

6. ASIDE FROM EMPHASIZING GENERAL PHILIPPINE INTERESTS, WE STRESSED IMPORTANCE OF TRAINING COMMITMENT. PHILIPPINE NAVY ACKNOWLEDGED NEED AND SAID THEY INTENDED TO STAFF SANGLEY TRAINING CENTER WITH INSTRUCTORS AND STUDENTS. THEY ALSO SAID THEY WOULD ENSURE THAT TRAINEES REMAINED ATTACHED TO LORAN. SINCE COMMITMENT REMAINS TO BE DEMONSTRATED, U.S. COAST GUARD PLANS TO DETAIL PERSONNEL ALREADY ASSIGNED ON PART TIME BASIS UNTIL WE HAVE BETTER BASIS TO DETERMINE WHETHER ADDITIONAL PERSONNEL REQUIRED.

7. SINCE GOP, SPEAKING THROUGH PHILIPPINE NAVY, HAS INFORMALLY CONCURRED IN PROPOSED NOTE SET FORTH PARA 2 ABOVE, WE WOULD HOPE IN INTEREST OF EXPEDITING AGREEMENT THAT DEPARTMENT WOULD RESTRICT CHANGES, IF ANY, TO MINIMUM. REQUEST CIRCULAR 175 AUTHORITY SO THAT PROPOSED NOTE MAY BE SUBMITTED FORMALLY TO GOP.
SULLIVAN

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